

UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In Re: :  
: BANKRUPTCY NO. 20-10334 TPA  
JOSEPH M. THOMAS, :  
Debtor. : THE HONORABLE THOMAS P. AGRESTI  
: CHAPTER 11  
:  
:  
:

**STATUS REPORT OF  
EFFORTS TO FORMULATE PLAN OF REORGANIZATION**

Debtor, Joseph M. Thomas ("Dr. Thomas"), by and through his undersigned counsel, hereby files this Status Report of Efforts to Formulate Plan of Reorganization (the "Status Report"). In support of the Status Report, Dr. Thomas states as follows:

- **Listing of 2374 Village Common Drive** – The Debtor is now dedicated to downsizing and relocating to a more affordable location. Counsel has been communicating with all interested parties regarding the disclosure of relevant information. Counsel has been having discussions with Attorneys and Brokers regarding strategies for attracting prospective buyers. Counsel had also explored inquiries from interested parties regarding the possibility of purchasing the practice. These efforts have also necessitated an ongoing review of issues associated with the claims of Wells Fargo, TIAA, SBA, etc., as well as the future of affiliated entities, operations, health care obligations, employment matters, etc.
- **Sale of 9830 Wattsburg Rd.** – A sale hearing scheduled for Thursday, Nov. 19 @ 1pm as a result of filings by Counsel. Counsel continues to work through issues raised by Wells Fargo Limited Objection, as well as other issues that will require a new proposed sale order. Other title/closing issues are also being reviewed in conjunction with closing Attorneys. This sale will be the first of several needed to liquidate assets and pay claims.
- **Plan of Reorganization** – The current deadline to file a plan is Dec. 2; Counsel has been actively drafting a plan and disclosure statement to reflect changing circumstances as a result of the listing of 2347 Village Common Drive for sale. Overall plan is to sell real and personal property to pay claims, and Counsel has been seeking the engagement of a broker or auctioneer for certain personal property. The Debtor must reevaluate any effect of downsizing/relocation on available income.

- **Administrative Expenses/Professional Fees** – Counsel is mindful of rising administrative costs and has made a concerted effort to devise a viable exit strategy in these Cases. Now with the listing of 2347 Village Common Drive and the decision to downsize/relocate, that exit strategy has been determined, at least in part. Counsel has been and will be negotiating carve-outs from the sale of assets, in addition to equity that may be realized from the sale of certain assets.
- **Licensing and Credentialing** – As an outgrowth of the MRSA claims and the Pennsylvania Consent Decree resolving issues before the Pa. Board of Medicine, there have been investigative proceedings in both Ohio and New York as Dr. Thomas held licenses in those states. Dr. Thomas has resolved the Ohio proceedings by relinquishing his license. The New York matter has only recently commenced and a petition to retain qualified New York Counsel is scheduled before this Court for Dec. 17th. In addition, several insurance companies have commenced review of credentials and counsel has been involved in efforts to protect those sources of reimbursement.
- **Claims Administration** – Ongoing review of KADA Gallery Claim, collateral in question, and possessory interests therein; Ongoing review of Claim by Mr. & Mrs. Steven Ribbing, including potential consent to relief from stay to proceed against insurance only, which NORCAL will defend/insure; Outcome of reviews has effect on claims pools
- **Case administration** – Filing Monthly Operating Reports, Fee Applications, Special Counsel Applications; Review status of tax payments/escrow; Respond to US Trustee requests; Monitor Tri-State Bankruptcy Case matters
- The Debtor's affiliate, Tri-State Pain Institute, LLC, is simultaneously filing a status report regarding its efforts to reorganize at Case No. 20-10049.

Date: November 18, 2020

Respectfully submitted,

QUINN, BUSECK, LEEMHUIS, TOOHEY &  
KROTO, INC.

BY: /s/ Michael P. Kruszewski

Michael P. Kruszewski, Esquire

PA Id. No. 91239

2222 West Grandview Boulevard

Erie, Pennsylvania 16506-4508

Telephone: 814-833-2222

Facsimile: 814-833-6753

[mkruszewski@quinnfirm.com](mailto:mkruszewski@quinnfirm.com)

Counsel for Joseph M. Thomas

UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In Re: :  
: BANKRUPTCY NO. 20-10334 TPA  
JOSEPH M. THOMAS, :  
Debtor. : THE HONORABLE THOMAS P. AGRESTI  
: CHAPTER 11  
:  
:  
:

**CERTIFICATE OF SERVICE OF STATUS REPORT OF  
EFFORTS TO FORMULATE PLAN OF REORGANIZATION**

I, Michael P. Kruszewski, Esquire, certify under penalty of perjury that I served, or caused to be served, the above-captioned pleading, Status Report of Efforts To Formulate Plan Of Reorganization, on the parties at the addresses on the attached list on November 18, 2020, by regular First Class United States mail or other method as described on the attached list.

Respectfully submitted,

QUINN, BUSECK, LEEMHUIS, TOOHEY &  
KROTO, INC.

BY: /s/ Michael P. Kruszewski  
Michael P. Kruszewski, Esquire  
PA Id. No. 91239  
2222 West Grandview Boulevard  
Erie, Pennsylvania 16506-4508  
Telephone: 814-833-2222  
Facsimile: 814-833-6753  
[mkruszewski@quinnfirm.com](mailto:mkruszewski@quinnfirm.com)  
Counsel for Joseph M. Thomas

Joseph Martin Thomas  
Case No. 20-10334  
Service List

The following parties received notification via the CM/ECF System and will not receive a paper copy of the filing:

|   |
|---|
| Office of the United States Trustee; <a href="mailto:ustpreion03.pi.ecf@usdoj.gov">ustpreion03.pi.ecf@usdoj.gov</a>                                     |
| Michael F.J. Romano, Esquire (TIAA Commercial Finance, Inc.); <a href="mailto:mromano@rgalegal.com">mromano@rgalegal.com</a>                            |
| Norma Hildenbrand, Esquire (Office of the U.S. Trustee); <a href="mailto:Norma.L.Hildenbrand@usdoj.gov">Norma.L.Hildenbrand@usdoj.gov</a>               |
| Guy C. Fustine (Official Committee of Unsecured Creditors/Tri-State Pain Institute LLC); <a href="mailto:mwernick@kmgslaw.com">mwernick@kmgslaw.com</a> |
| Brian Nicholas, Esquire (PNC Bank, National Association); <a href="mailto:bnicholas@kmlawgroup.com">bnicholas@kmlawgroup.com</a>                        |
| Salene R.M. Kraemer, Esquire (Wells Fargo Bank, N.A.) <a href="mailto:skraemer@bernsteinlaw.com">skraemer@bernsteinlaw.com</a>                          |
| Lauren Michaels, Esquire (Pa. Dept. of Revenue) <a href="mailto:lmichaels@attorneygeneral.gov">lmichaels@attorneygeneral.gov</a>                        |
| Gary V. Skiba, Esquire (Tri-State Pain Institute LLC) <a href="mailto:gskiba@marshlaw.com">gskiba@marshlaw.com</a>                                      |
| Mark G. Claypool, Esquire (Ally Bank) <a href="mailto:mclaypool@kmgslaw.com">mclaypool@kmgslaw.com</a>  |
| Crystal H. Thornton-Illar (The Kada Gallery) <a href="mailto:cThornton-Illar@leechtishman.com">cThornton-Illar@leechtishman.com</a>                     |